

Oranjestad, March 25, 2013 -The upcoming World Cup and Olympics guarantee that Brazil's international visibility will continue its rapid ascent. The country just has to ensure there are seats for all of the guests. Brazil may be emerging from its reputation as the permanent "land of tomorrow," but the writer of this article suspects it will likely get there only at the last minute.

It's crunch time for the South American giant as it prepares to host next year's football World Cup and 2016 Summer Olympics. The country definitely needs an economic boost given the recent downgraded forecast of barely over 1% growth for 2013. Hosting these mega-events was seen as an essential spark to get Brazil to overhaul its dilapidated infrastructure, but despite the advance notice, politicians aren't yet living up to their continental scale ambitions.

Brazilians excel at throwing massive parties, but so much is at stake beyond the Games. Can Brazil really become the "America of South America," unchallenged and indispensable to all its neighbors? Brazil wants to be the first superpower from the global south, yet it has quite a long climb still to join the league of the wealthy, not just the large.

Brasilia's technocrats have been aggressive, even creative, in recent years, using pro-poor policies and monetary intervention to deliver growth and stability. Yet lower interest rate policy has failed to drive stronger investment, and business confidence is down due to government intrusions. Even the major offshore oil discoveries haven't yet borne fruit for energy major Petrobras due to local content requirements that favor less sophisticated domestic suppliers.

While its currency control policy has effectively been blessed by the IMF, the still massively overvalued Real currency has undercut exports in what has been an increasingly diversified economy.

Latin America in general, and Brazil in particular, has been the most urbanized region long before cities became the dominant meme of global socio-economic studies. Sao Paulo very much feels like the second-largest city in the world, but unlike even larger Tokyo, its airport feels third world and public transportation can scarcely cope with demand. It ranks alongside New Delhi, Moscow, Beijing and Mexico City in IBM's aptly named Commuter Pain Index.

And with close to 1,000 new cars joining the traffic jams each day, it's no surprise that the rich take to the air: Paulistas have the highest rate of private helicopter usage in the world. Overall, the World Economic Forum's most recent Global Competitiveness Report ranks Brazil a measly 107 (out of 144) for quality of infrastructure.

Since taking office just over two years ago, President Dilma Rousseff has regularly announced massive infrastructure investment schemes. Airports, roads and railways have been slated for privatization. Taken together, the government promises \$100 billion in infrastructure spending over the next decade, while raising \$65 billion in privatization and auctions.

Discuss these numbers with any Brazilian, however, and they are apt to stare blankly and demand, "But where is all the money going?" As popular a figure as former president Lula was, corruption allegations still dog his still-dominant Workers Party (PT). With the opposition parties fragmented and scattered, however, the PT may well be in power long enough to be held accountable to its plans.

As Brazil focuses on its overhauling its cities, it must remember that urbanization itself won't drive meaningful growth, but rather empowering the tens of millions in the urban underclass. Cities like Sao Paulo are designed for an industrial age while the urban economy has become 85% related to services.

The key question then is how to humanize such mega-cities. Multiple mixed used social and commercial developments designed to be affordable and professional could help to reintegrate a population that has grown accustomed to gated communities. In such neighborhoods, Brazilians should find apprenticeships, vocational training, and more public libraries that promote literacy, social inclusion, and citizenship, all topics debated in a new series called Arq.Futuro being held around the country.

There is an opportunity to conduct this urban regeneration in a way that embodies Brazil's amazing cultural depth. Like China, the more modern it gets, the more Brazilian it gets; its identity is enhanced rather than diluted. There is no higher symbol of this than fabled architect Oscar Niemeyer's buildings and the efforts to restore the lifestyle of Carnival in Rio, a tradition of street culture and music. In Sao Paulo, soccer pitches are being laid in the outskirts to remind the nation that its best players have come from conditions of socio-economic adversity. The message is clear: Brazilians should resist overly consumerist temptations; when they become too showy, they get distracted and under-perform.

In the coming years, Brazil's image will also be shaped by a new set of stars and issues. Banks like Itau Unibanco have a healthy balance sheet and appetite to expand across Latin America and beyond. Secondary regions like Bahia are now rivaling Rio for visitors reveling in Carnival culture, while Pernambuco's capital Recife is attracting innovative industries to relocate.

Given that Brazil holds approximately one-third of the world's biodiversity and 20% of its fresh water in the Amazon rainforest, it is also becoming a leader in fields ranging from combating deforestation to plant genetics. And Brazil has become a leading and positive investor in Africa.

The upcoming World Cup and Olympics guarantee that Brazil's international visibility will continue its rapid ascent. The country just has to ensure there are enough seats for all of the guests. Brazil may finally be emerging from its reputation as the permanent "land of tomorrow," but it will likely get there at the last minute.

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